

Governance Without Government? Rethinking Public Administration

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ABSTRACT

The concept of governance has come to be used more commonly in the discussion of public administration, but the meaning of the term is not always clear. There is a growing body of European literature that can be characterized as "governance without government," stressing as it does the importance of networks, partnerships, and markets (especially international markets). This body of literature can be related to the new public management; yet it has a number of distinctive elements. This article discusses the strengths and weaknesses of this literature and its applicability to public administration in the United States.

The traditional conceptualization of the public sector has come under increasing strain during the past several decades. The idea that national governments are the major actors in public policy and that they are able to influence the economy and society through their actions now appears to be in doubt. Some of the strain on national governments has been the result of the increased importance of the international environment and of an arguably diminished capacity of those governments to insulate their economies and societies from the global pressures. Those pressures on national governments come about through international capital markets (Strange 1996; but see Hirst and Thompson 1996; Peters 1998) as well as through supranational organizations such as the European Union (Scharpf 1997).

Another strain on the traditional conception of governing arises from changes in the relationship between government and the private sector. At the extreme it is argued that "governance without government" is becoming the dominant pattern of management for advanced industrial democracies (Rhodes 1997). Other characterizations include "hollow" states and governments

(Peters 1993; Rhodes 1994) and "negotiated" states and economies (Nielsen and Pedersen 1990). In all these depictions of changing patterns of government, it is argued that societal actors have become influential over policy and administration and have done so in ways that were unimaginable in earlier times. Government is seen as weakened and as incapable of "steering" as it had in the past. The traditional concept of government as a controlling and regulating organization for society is argued to be outmoded (Bekke, Kickert, and Kooiman 1995).

The discussion of governance without government has been largely European and has concentrated primarily in the United Kingdom and the Netherlands. The European roots of this debate appear to be in part a function of the preeminent role of government in the welfare state in Europe and of the strength and established position of interest groups in these societies (Kooiman 1993; Schmitter and Lembruch 1979). In essence government has much more power to lose, more areas of policy involvement, and a network structure already in place that can replace or supplement the power of government. In the United Kingdom the emergence of this pattern of governing is a direct challenge to the Whitehall model of strong, centralized government.

Although the governance debate has been largely European, it is beginning to diffuse to the United States. There is some objective evidence that the same changes—such as contracting, public-private partnerships, and a variety of other interactions with the private sector—move government away from its role as the central source of the "authoritative allocation of values" for the society. Also, in the United States there is the beginning of a body of literature that relates these changes in the relationship with society to broader questions of managing the State (O'Toole 1997; Thomas 1997).

The objectives and concrete design of administrative reform mirror the historical, political, and societal roles of public administration as well as its internal culture. Such reforms are *path-dependent*, probably to a much greater extent than we generally realize. Path-dependency refers to the range of policy choice available for administrative reformers; reform strategies are embedded in systems of norms and administrative practices and therefore reform strategies are shaped more by what already exists than by the desired model of public administration.

In this article we will examine the emerging governance debate in Europe and the United States and will describe both the dimensions of the debate over the capacity of the state to continue to govern as it has in the past and the development of

alternative mechanisms for exerting control over society. We will also address the question of whether this is purely an academic debate, the product of developing a theoretical language suitable for the analysis, or whether a real change is occurring in the nature of government.

WHAT IS THE GOVERNANCE DEBATE?

The conception of governance as it has developed over the past several years in the European debate has several constituent elements. As we indicated above, however, taken together these elements would amount to a prescription for steering society through less direct means and weakening the power of the State to control policy. These changes would, in turn, have implications for the meaning of democracy in the contemporary political system. We will not evaluate these arguments here; rather we will save that for the discussion of how the governance arguments fit within the context of both European and American public administration.

The Importance of Networks

Perhaps the dominant feature of the governance model is the argument that networks have come to dominate public policy. The assertion is that these amorphous collections of actors—not formal policy-making institutions in government—control policy. State agencies may place some imprimatur on the policy, so the argument goes, but the real action occurs within the private sector. Further, in the more extreme versions of the argument, if governments attempt to impose control over policy, these networks have sufficient resiliency and capacity for self-organization¹ (Kooiman 1993; Marsh and Rhodes 1992; de Bruijn and ten Heuvelhof 1997) to evade the control of government.

It long has been argued that the private sector has real influence over public policy through structures with varying degrees of formality, but this conception carries the argument to that of dominance. This dominance is possible partly because the State has become delegitimated. The loss of legitimacy is in part because state actors are excessively clumsy, bureaucratic, and path dependent and in part because of the control of information and implementation structures by private actors. It appears that whatever the State does it does poorly, while the private sector (for profit and not for profit) is more effective.

¹Especially within the Dutch and German literature the term *autopoiesis* is used to describe this self-organizing nature of networks.

From Control to Influence

In the governance arguments the State does not become totally impotent; rather, it loses the capacity for direct control and replaces that faculty with a capacity for influence. Government actors are conceptualized as in a continual process of bargaining with the members of their relevant networks. What has changed, however, is that these government actors now bargain as relative equals rather than as with the capacity to resort always to power if the decision that is made is not what they want.

Government organizations remain a part of the networks in these emerging models of governance, but they are conceptualized as dependent on the other actors to the same extent that those actors are dependent on government. This mutual resource dependency (Rhodes 1988) at first characterized the relationship between central governments and subnational government, but the argument has been extended to cover the gamut of relationships between central government organizations and the other organizations with which they interact.

Blending Public and Private Resources

The use of networks mentioned above easily leads to a blending of public-sector and private-sector resources. These resources may blend in a variety of ways, one of the most common being the creation of more or less formal partnerships between actors in government and actors in the private sector. These partnerships permit each side to use resources that would not be at its disposal were it to remain on its own side of the (presumed) divide between the two sectors (Peters 1998). For example, government may be able to evade some procedural requirements that might restrict its operations, while the private sector may gain public approval and funds for projects that might be difficult to bring to fruition without those resources.

In some instances the public and private sectors may be blended within a single organization. An increasing number of nongovernmental organizations, *quangos*, and a host of other hybrid organizational formats appear to have materialized as components of the governance framework. These formats permit the mutual leveraging of resources and the blending of public and private attributes in ways that might not be possible in more conventional structural arrangements.

Use of Multiple Instruments

The utilization of public-private partnerships for policy indicates the willingness of a government operating within the governance framework to develop alternative means of making and implementing policy. This willingness to innovate in the selection of policy instruments can be seen as more general, with governance implying the use of a wider repertoire of instruments than might be used by a more traditional public sector.

Governments do have a number of instruments at their disposal, but they tend to focus only on a few familiar ones that involve direct intervention. The adoption of the governance perspective on their roles and their opportunities enables governments to see that they can use a number of less direct forms of intervention as the means to achieve their ends. These instruments may appear in the first instance as less certain than the older instruments, but in a networked version of the public sector with more powerful private-sector actors they may be more effective.

GOVERNANCE VS. NEW PUBLIC MANAGEMENT: SHOULD THEY BE SEPARATED?

The debate about these emerging forms of governance occurred at nearly the same time as the diffusion of the new public management (NPM) in many western democracies, principally the United Kingdom and the Antipodes (Aucoin 1996). For some scholars, the governance debate was triggered in part by the management philosophy advanced by the NPM experts (see, e.g., Rhodes 1997). Certainly, there are many similarities between the mainstream debate on the emerging forms of governance and the overarching philosophy behind the NPM (Hood 1991).

Developing New Instruments of Control and Accountability

A common feature of governance and NPM is a changing view of the role of elected officials. Both governance and NPM downplay the role and significance of elected officials. In the governance debate, political leadership is tied less to formal elected office and more to matters of political entrepreneurship. Political leaders, in this perspective, have a key responsibility in the development of networks and the pooling of public and private resources. The only traditional role remaining for elected officials is that of setting goals and priorities. In the NPM vision of the public sector, the role of political leaders is even less clear. Here, elected officials have a role in defining the long-term

goals of the public sector, but apart from that they should offer considerable discretion to the operative agencies and institutions.

In both perspectives, however, accountability remains an unresolved issue. Governance theorists argue that traditional channels of accountability have been replaced by several different processes of electoral control such as "stakeholderism" and consumer choice. That having been said, it seems clear that accountability remains a weak spot in the governance literature. In the NPM school of thought there is little concern about these issues, since accountability is seen as one of the strongest points of the model. By relating public services more directly to market demand instead of to political decisions about quality and quantity, service providers receive immediate information about their performance. Customers are thus given an opportunity to influence service producers directly without having to operate through their elected representatives.

The basic problem in both theories is that the linkage between control and accountability—the heart of democratic theory and a democratic system of government—has been confused. Both models of public administration seek to replace political power derived from legal mandates or elected office with an entrepreneurial style of leadership or—with the NPM—a remote and indirect model of leadership. This creates two different problems, derived from different perspectives on governance and citizenship. First, if elected political leaders have such limited control over the public administration, is it reasonable to hold them accountable for the decisions and actions of the public service, and if elected officials should not be held accountable, who then is accountable?

The second problem occurs when we accept the notion of consumer choice and stakeholderism as channels of accountability. Obviously, consumer choice and stakeholderism as instruments of voice and accountability are available only to stakeholders and consumers. But if services are financed by collective resources then any model of democratic government requires that instruments are also available to those who are not presently consumers or stakeholders of a particular public service. Further, it is often difficult to identify the appropriate customers of service—prisons, customs and immigration, and perhaps even education are clear examples.

Downplaying the Public-Private Dichotomy

In theories of governance and also of NPM there are strong notions that public administration—and generally, the state—has

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become isolated from and out of touch with the rest of society. While corporate actors, under severe pressure from market competition, have developed sophisticated models of management and resource allocation, the public bureaucracy has long remained insulated from economic pressures. The result, according to the critics of the public service, has been organizational slack; widespread inefficiency; economic complacency; an obsession with due process; indifference to clients' needs; and organizational autopoiesis.

The governance debate takes a more positive view of the public service. Here the perspective is not so much that the public service is forced to adapt to public-sector philosophies and ideals; the prevailing view is rather that public institutions—as expressions of the public interest—can and should play a leading role in cross-sectoral resource mobilization and concerted ventures. The role of political institutions in different models of governance may vary considerably, but as long as there is some significant political involvement in governance there are also collective objectives present in the process.

Both governance theories and NPM thus see the public-private dichotomy as essentially obsolete, albeit for different reasons. The general argument is that just as the public-private border has protected the public bureaucracy from extraorganizational pressures to modernize and increase efficiency it has now become an obstacle to public-sector reform. Such reforms, NPM advocates insist, must focus on bringing in private-sector managerial strategies and objectives. NPM is essentially a philosophy of *generic management* because it argues that all management has similar challenges and hence should be resolved in similar ways in public- and private-sector organizations (Peters 1996).

Increasing Emphasis on Competition

The idea of competition as a means to increase public-service efficiency and sensitivity to its clients—or customers—is obviously a good example of corporate ideals penetrating the public sector. Introducing competition, furthermore, has far-reaching organizational consequences. Most importantly, it requires extensive relaxation of political control over the public service and substantive discretion for managers at lower levels of the organization.

Competition within the public sector has many obvious advantages. By creating internal markets, for instance, each unit in the public organization can assess its actual costs more accurately than traditional organizational models allow.

Furthermore, introducing competition also provides benchmarks and other meaningful bases for comparison. Competition between service suppliers forces organizations to increase contacts with their customers. None of these consequences of introducing internal markets should encounter opposition from even the fiercest critics of contemporary administrative reform.

Bringing competition into the public service is at the heart of NPM. Without competition there is little point to changing the managerial styles in the public sector. The current style of governance, however, is less dependent on the introduction of competition, at least within government. Governance is generally more concerned with blending public and private resources than with competition in the public sector. That said, governance represents an alternative way to produce and deliver services, and therefore it welcomes competition among public and private initiatives.

However, markets are themselves institutions that constrain our range of choice (Whitley and Kristensen 1997; March and Olsen 1989). Creating internal markets alters intraorganizational behavior into new practices that can develop new potential sources of resource waste at the same time they eliminate other problems. Some internal markets induce organizations to oversupply services, since demand is defined not by the customer but by the supplier. The medical care sector in several western European countries is a good example of these problems.

One substantive problem that arises when competitive dimensions are introduced in the area of public services is that public-sector organizations were never designed with that objective, but rather to ensure legality and equality. Although structural organizational changes—such as decentralization and moving decision making on operative issues downward in the organization—are very common today, the problems associated with changing the culture of the organization are often much more difficult than are the structural changes.

Increasing Emphasis on Output Control Rather Than on Input Control

Both NPM and governance have a primary interest in results. Input control, the preferred control mechanism in the traditional public administration, is argued to be inadequate because it conceals organizational slack and inefficiency and does not relate performance to demand and customer satisfaction. Output control can manifest itself either through customer satisfaction and other performance indicators essential to the NPM

school of thought or through generating compliance and customer-attuning of public services by bringing private and voluntary sector actors and interests into public service production and delivery. It also can be assessed more broadly by organizational accomplishments relative to its objectives.

Devising New Instruments and Techniques for Steering

In both NPM and governance, *steering* is a key concept (Rhodes 1997, 49). Osborne and Gaebler (1992) coined the seductive slogan that governments should focus more on steering and less on rowing, and this managerial perspective plays a prominent role in both governance and NPM. Much of this steering refers to organizations cutting back while they simultaneously face increasing expectations on diversified and customer-driven services. Governance, to a much greater extent than NPM, is concerned with enhancing government's capacity to act by forging strategic interorganizational coalitions with actors in the external environment. Steering, in this perspective, is largely about setting priorities and defining goals. In the NPM, steering is primarily an intraorganizational strategy aimed at unleashing productive elements of the public service.

The question is why we should expect arms-length models of steering leaner organizations to work any better than the Weberian, hierarchical steering of traditional, comparatively resourceful public organizations. Is it realistic to believe that you can steer the modern diversified and transparent public organizations more effectively with more subtle methods than those that were available to the managers who steered hierarchically integrated bureaucracies? If the previous model of steering failed, why should we expect the new ones to be any more effective?

As these few examples show, emerging forms of governance share many features of the NPM philosophy. However, several significant differences also exist between governance and NPM. Indeed, these differences are so fundamental that the two models of public service should be separated. The similarities seem to be primarily at the operative level of administrative reform, whereas the differences are located at a theoretical level.

First, governance always has been a central element of a democratic polity; indeed governance, albeit in a wide range of manifestations, is as old as government. The emerging forms of governance in western Europe—networks, partnerships, public-private joint ventures, the inclusion of the voluntary sector in service delivery, and so on—should be assessed in relation to traditional models of governance such as hierarchies as well as

state strategies to compensate for diminishing external control resulting from decreasing resources and less reliance on legal control. The NPM campaign, on the other hand, is more ideologically driven; it denies any political or cultural specificity of the public service and argues that by emulating corporate organizations many problems of the public service—inefficiency, indifference toward the needs of its clients, and so forth—should be ameliorated. While new forms of governance ultimately maintain some degree of political control over the public service since it is seen as an extension of the public interest, NPM seeks to transform the public bureaucracy to a set of organizations whose only difference from private, for-profit organizations is the nature of the product that is delivered.

Second, governance is about process, NPM is primarily about outcomes. Understanding governance—its direction, practices, and outcomes—is largely a matter of observing and interpreting the process through which it evolves and what is the relative clout of the actors involved therein. NPM says very little about the process; it is focused almost exclusively on developing intraorganizational management techniques that ensure customer satisfaction and efficiency. This difference is all the more important since public administration to a significant extent is centered around procedural rules and regulations. Traditional models of public administration provide detailed rules concerning the deliberation process, partly because regulating the process is the Weberian method of output control; a legally correct deliberation process was believed to imply a correct outcome. A related problem is that NPM says very little about those aspects of the public sector that are not involved directly in production of goods or services, and its application of those sectors of the public bureaucracy remains uncertain.

Third, NPM is an intraorganizational program of administrative reform whereas governance is interorganizational in perspective (Rhodes 1997, 55). Furthermore, the emerging forms of governance we see in several of the advanced western democracies should be conceived of as alternative models of the pursuit of collective interests (Peters 1996). Thus governance is essentially a political theory—insofar as it describes a certain type of exchange between the state and the society—whereas NPM is an organizational theory.

Fourth, governance is about maintaining public-sector resources under some degree of political control and developing strategies to sustain the government's capacity to act; NPM is essentially about transforming the public sector. Governance refers to something that deliberately transcends the borders of

government and where governmental structures coordinate and give direction to collaborative, public-private efforts (Kooiman 1993; Rhodes 1997). The perspective of the NPM strategy is more introverted and aims at altering state-society relationships only insofar as public-sector management models might replace traditional models of organizational management in the public administration and in the exchange between service providers and public-sector customers.

Finally, governance does not come with the same ideological luggage or distinctive ideals as the NPM does. The introduction of new forms of governance can be implemented without profound culture shifts in the public service; such changes, however, are at the heart of NPM. Indeed, as we have pointed out, many of the most important features of the governance model have been in place for years; some of the discussion of their importance is that they are now being implemented in Westminster systems with a tradition of stronger, more centralized, government.

Differences between governance and NPM become more apparent when we look at a few cases where both of these philosophies have caught hold, or one of them, or none of them. The diffusion of NPM seems in some ways to be related to state strength. Strong states historically have not had to rely on the inclusion of private- or third-sector actors in the political process in order to increase their capacity to impose their will on civil society. The institutional capacity of strong states coupled with a strong legalistic tradition has guaranteed the state's ability to accomplish its intentions and goals. For weaker states (or cities), joining forces with private-sector actors has been an established strategy to increase their governing capacity (Stone 1989).

The obvious exception to this pattern is Britain. Mrs. Thatcher introduced an NPM style in both central and sub-national governments, using the full thrust of a strong, centralized government. Indeed, the transformation of the British civil service was part and parcel of the grand Thatcherite project to allow market forces to penetrate the public service, which was seen as an obstacle to economic growth. The fact that the Anglo-Saxon countries were among the first to embrace the NPM ideals might also be explained on cultural grounds and the inclination to herald free enterprise in these countries (Peters 1996).

Governance, as are all models of public service, is derived from the political culture within which it is embedded. The emergence of governance therefore will appear in different institutional forms in different national contexts. NPM is much less

contextual and less sensitive toward differences between jurisdictions; it is more generic and more directed at changing public-sector values and practices. Since governance is a blending of private and public values and NPM can be described as a unilateral infusion of corporate-sector values and objectives into the public sector and public-service production and delivery, there is not very much interdependence between governance and the NPM. Some states have embraced one philosophy, but not both.

This brief discussion about NPM and emerging models of governance ultimately begs the normative issue about the specificity of the public service and the political process. This issue relates to our perception of the public interest and what structures in society sustain and defend that interest. If we maintain that the public sector has a high degree of specificity, then that should lead us to acknowledge that efficiency in the public service needs to be assessed by different standards than those of the corporate sector. To assess processes guided by primary reference to legality, equality, and legal security in terms of their organizational efficiency is to some extent to underestimate the consequences of the political and societal specificity of the public service.

GOVERNANCE AND PUBLIC ADMINISTRATION TRADITIONS IN EUROPE

The emergence of governance in the west European context must be viewed against the historical nature of the public administration and state-society relationships there. While it is obviously far beyond the scope of this article to offer a full account of these developments and how governance fits into these traditions, we will focus on two aspects of the issue. One important dimension of the issue of how governance fits European public administration is the historical patterns of state-society exchanges. Another crucial aspect of this problem is the

Exhibit The Emergence of Governance and New Public Management: Four Cases

				Governance		
				Limited	Extensive	
				Limited	Japan	Sweden
NPM	Intermediate			United States	The Netherlands	
				Extensive	New Zealand	Britain

significance of legality, hierarchy, and political control in the west European public administration tradition.

State-Society Relationships and Public Administration

In several west European states, but most predominantly in smaller industrialized democracies such as Austria, Belgium, the Netherlands, and the Scandinavian countries, state-society relationships historically have been shaped by a variety of corporatist arrangements. Organized interests, labor market organizations, and voluntary organizations mediated the state-society distinction by exercising considerable political clout and influence at all stages of the policy-making process (Katzenstein 1984 and 1985; Schmitter and Lehbruch 1979). Similar—if less pronounced—patterns of organizational involvement in the political process are also present in Germany and France.

In addition to their corporatist-style of policy making and implementation, these countries also built comprehensive and universal welfare states during the postwar period (Esping-Andersen 1990). These were distinctly political projects that encountered fierce political opposition as they evolved and were tolerated by the middle class due to the universal nature of their programs.

Thus public administration has been challenged throughout most of this century on two fronts. One has been the inclusion of organized interests in the implementation of public policy, which confronted the public bureaucracy with powerful societal actors within their organizational domain. Managing the built-in clash between the public interest as it is embodied in the due process of the public bureaucracy on the one hand and more narrowly defined societal interests on the other has required considerable negotiating skills and mutual respect.

The other challenge has been the blending of public administration ideals of impartiality and legality with the implementation of welfare state programs. Here, the problem has been not so much that the welfare state programs presuppose compromises on those core public administrative values and norms but rather the task of mustering bureaucratic enthusiasm—or at least passive support or tolerance—for the welfare state (Rothstein 1996).

Mainly as a result of the exacerbated fiscal crisis of the west European democracies, market-driven administrative reforms have reshaped many of the traditional features of public bureaucracies (Cassese 1995; Derlien 1993; Pierre 1993; Rouban 1993; Petersson and Söderlind 1994). Thus there has been an

introduction of internal markets, diversified salary schemes, customer choice, performance indicators, and so on. However, most of the west European states—with Britain the significant exception—have not embraced NPM wholeheartedly. The increased emphasis on efficiency, and reforms implemented to that effect, has not changed the overall structure of the public service or its management style but rather has been largely implemented within the existing organizational frameworks.

Instead, several states have shown a growing interest in exploring new models of cooperation between the state and organized interests. The Scandinavian countries have had increasing cooperation at the local level between authorities and voluntary associations in public service delivery. The long tradition of corporatist involvement in policy implementation probably has helped pave the way for emerging forms of governance. Such exchange has meant giving these new networks new objectives and roles rather than developing new networks across the public-private border.

France appears to be an important exception to the pattern of governance in west Europe we have described above. The more technocratic, top-down style of policy making in France implies that the emerging governance format might not be compatible (Hayward 1983; Cohen 1996). There is a strong element of networking within government itself, and that can link various elements of state and society but certainly not with the society as a dominant element. The long-standing debate over the existence of corporatism in France is one indication of the questionable compatibility of governance models in this setting.

The *Rechtstaat* Model of Public Administration and Governance

If the corporatist political culture has been an important foundation on which governance has been built during the 1990s, the strong tradition of legality and deliberation in west European public administration has been an obstacle to administrative reform along similar lines. *Rechtstaat* ideals of a highly regulated process, a vertically integrated organization, extensive deliberation, and fair and equal treatment are not amenable to generating economies of scale or increasing efficiency.

More than anything else, the trade-off between legality and legal security on the one hand and efficiency on the other has been a complex issue. What most governments seem to have done is, interestingly, to simply ignore the trade-off, or alternatively to displace it from the policy making to the bureaucratic

sphere of government. Thus most of western Europe has seen relaxation of budgetary (input) control, growing political emphasis on efficiency in the public service, decentralization from the state to subnational government (with Germany as a slight exception), and strong political pressures on the bureaucracy to provide more choice in their service. Very few of these policies have explicitly addressed the issue, To what extent should these reforms be accompanied by a relaxation of traditional *Rechtstaat* standards?

Competition *strictu sensu* is alien to the traditional European model of public administration, both within the public service and between public- and private-service providers. Allowing for such competition therefore has caused considerable organizational problems. In most jurisdictions, the outcome has been that the state has retained a fairly rigorous quality control over services that have been contracted out; such control has been believed to be the most important safeguard against declining service standards.

As we have noted, NPM has been introduced most extensively in Britain. However, almost all countries have at least considered some modifications in the same direction. The pattern of reform often has been similar to that of allowing governance to replace tight government control; changes have been more de facto operative changes than changes in the normative and legal framework of the public administration.

The history of public administration in western Europe to a large extent has been shaped by tensions between politicization and *Rechtstaat* ideals and between universalism and corporatism. Unleashing local governments in order to provide the discretion necessary for them to engage in partnerships, networks, and joint ventures with key societal actors has been an important element of governance. Here, public bureaucracies in the European welfare states can draw on considerable expertise and organizational memory; most of these states have seen the vast majority of welfare state programs implemented more by local and regional governments than by the state (Pierre 1994; Sharpe 1988).

HOW DOES THE GOVERNANCE DEBATE FIT WITH PUBLIC ADMINISTRATION IN THE UNITED STATES?

The concept of governance without government may appear to fit well with the traditions of American public administration. The United States has been described as a stateless society, lacking in any of the traditions of European states. In this typification of the United States its government is more political than it is a

manifestation of a virtually metaphysical State entity. In that view of American government the movement from a state-centric conception of government to a more societal centered view should be an easy shift of emphasis.

In addition to the apparent weakness of American government, the tradition of a strong civil society bears some of the brunt of governing. Even before it became fashionable, government in the United States utilized the private sector (both for-profit and not-for-profit elements) to help make and implement policy (Salamon 1981; Kettl 1987). The private sector may have become somewhat more prominent in recent years, but the shift has been less startling than in Europe. Indeed, the history of resistance to and skepticism of government in the United States makes the concept of governance without government sound perfectly normal in the United States.

On the other hand, there is a good deal of evidence that public administration in the United States has changed less than it has in many other systems (Peters 1998). The NPM philosophy has been adopted to a lesser extent than in Europe or the Antipodes. This is especially true of the competitive dimension of NPM. Any modification of administration has been in the direction of enhanced participation (especially for members within government organizations) and internal deregulation (DiIulio 1994). The National Performance Review emphasized the need to reduce the degree of hierarchy within federal organizations and to "let the managers manage."

The very absence of a strong state tradition in the United States appears to make moving to the fully networked model of governance less likely. The general denigration of government, especially the bureaucracy, makes it less likely that the bureaucracy will be given the latitude to negotiate so freely with the private sector. There are some contrary examples, such as the use of negotiated rule making, but the general practice is for Congress and the presidency to exercise substantial oversight of the bureaucracy.

The American State (yes, there is one) is somewhat paradoxical in the continued emphasis on the separation of state and society. The private sector is extolled as the model of efficiency and good management. The recent emphasis on the private sector in welfare reform is an indication of the homage paid to that sector. Government appears quite willing and often anxious to divest itself of functions whenever possible and to permit the private sector to do what it can do better—almost everything in this view. The difference from much of Europe is that there are

many more things that Americans consider appropriate for the private sector.

Despite the emphasis on the virtue of private-sector management there is more politicized control and more legalistic control over the bureaucracy than currently is found in other Anglo-American democracies. Organizations are not permitted to go into competition for themselves; instead, they remain under political control. The assumption appears to be that bureaucracies are not to be trusted, and any arrangements they might make for governance are not to be trusted either. Political control is especially important for Congress, given that it depends on constituency service and particularistic control over bureaucracy for much of its political appeal. The one major exception to this generalization is the Government Performance and Results Act of 1994, which is beginning to implement results-based management at the federal level.

Although the U.S. federal government does not appear compatible with the governance model, American local government has adopted many of its concepts. For example, the use of public-private partnerships has been well established at this level of government (Beauregard 1998), and there are well-developed networks with greater influence over—and even in control of—policy than is encountered at the national level. There is also a sense that American local government has been more creative in the selection and implementation of policy instruments than is true at the national level.

State and local government also has been more likely to adopt the ideas of the NPM. Indeed, Osborne and Gaebler (1992) developed their ideas about reinventing government primarily from the experience of California local government. Many market-based ideas associated with NPM have been eschewed at the national level but are already in place at the local level, and subnational government in the United States is the more modern of the two levels of government. The federal government has to some extent enabled the reform of state and local government with the use of block grants that provided them with resources and the latitude to develop more creative means to provide services to the public.

Why are local and state governments in the United States capable of greater latitude in governing and management than is the national government? One answer is that local government is less delegitimated than national government; most surveys demonstrate that local government is more trusted than is the federal government. The public is therefore likely to concede to this

level of government the latitude needed to manage and implement effective partnerships. Further, local government is likely to have close and continuing interactions with the private sector in its own area, so that these relationships may emerge naturally. Local government in the United States is therefore often a more powerful actor than is the federal government, given that it is able to govern both through traditional command and control techniques and through the less conventional formats associated with governance.

CONCLUSIONS: BREAKING THE PATH?

The debate over governance may simply be the academic community catching up with the reality of the public sector in the contemporary world. Just as there may be for institutions, there may be a path dependency in academia. We are often so locked into our theoretical and empirical paths that it is difficult for us to recognize the subtle changes that occur over time. The architects of reform have been forced to address these changes more carefully and more directly.

Architects of administrative reform have faced a complex dilemma concerning the degree of change they can achieve on the one hand and the likelihood of successful reform on the other. Reforms that aim at altering the normative framework and modus operandi of public administration, and thus profoundly challenge established norms and practices, may at best accomplish minor changes and at worst bring to the public service confusion, conflict, and discrepancies between organizational culture and external role expectations, thus causing stalemate. More moderate reforms—for example, a sequence of incremental but consistent changes—are likely to bring about less dramatic change but without major dysfunctional consequences.

Most importantly, reformers encounter the path dependency of administrative systems that we noted earlier. For example, the emergence of governance in western Europe is to some extent embedded in the corporatist tradition of this political culture. Similarly, the hesitancy towards NPM in most of western Europe is explained by the strong legalistic tradition of the public administration there. Such control always has been extensive in the United States, and yet market-based administrative reform has encountered much less opposition here, at least in state and local governments. Much of this strategy of administrative reform has been the subject of intense debate at the federal level. Meanwhile, local governments are seemingly less bothered by the ideological dimension of principles as they forge public-private coalitions in different areas of public-service delivery. Local

governments always have been more results oriented in their modus operandi than have state or federal institutions.

Strong states seem to be much less inclined to compromise the *Rechtsstaat* model of public administration and seem to have many fewer problems participating in governance than do weaker states such as the United States. That being said, there is much in the governance debate in Europe that speaks to the current debate about administrative reform in the United States. One such theme is the growing importance of networks, which assume a powerful position in public policy making and implementation. For Europeans with their stronger étatist tradition, states can enter such coalitions without having to fear that they will have to compromise core political and administrative values. In the United States, on the other hand, weak federal or local institutions run a much bigger risk of cooptation or marginalization by private-sector actors and interests.

Thus, governance and the NPM have encountered opposition in both Europe and the United States, although for different reasons. In neither case are these reforms fully compatible with the administrative traditions of the countries that are advised to implement these reforms. Even within the two areas there are marked differences in the compatibility of the reforms. In the United States the changes tend to be more compatible with the ethos found in local governments than with that of the federal government. In Europe, the Scandinavian countries and the low countries have had many of the ideas of governance in operation for decades, while the larger European countries have had somewhat more difficulty absorbing these ideas and concepts. Thus we can see again that no reform is likely to be universal; instead reform must be matched carefully with the needs and the traditions of the larger political system.

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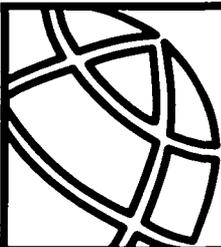
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